

I.A.(IBC)No. 264/KB/2026  
IN  
C.P (IB) No.108 /KB/2019

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH -II

KOLKATA

I.A.(IBC)No. 264/KB/2026

IN

C.P (IB) No.108 /KB/2019

*An application under section 60 (5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016*

In the matter of:

*Punjab National Bank*

*...Applicant*

*Versus*

*Shyamal Kumar Bhattacharjee,  
Liquidator of the Corporate Debtor*

*... Respondent/*

*Liquidator*

Order Pronounced on:22.6.2026

Coram:

*Mr. Labh Singh , Member (Judicial)  
Ms. Rekha Kantilal Shah, Member (Technical)*

**Presents**

Mr.Sailendra Kr.Tiwari, Ld. Advocate ] For the PNB in IA 264/2026  
Mr.Rishab Banerjee, Ld. Advocate

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Mr.Shambhu Mahato, Ld. Advocate  
Ms.Muskan Jalan, Ld. Advocate

Mr.Shaunak Mitra, Ld. Advocate ] For Liquidator in IA 264/2026  
Mr.Amandeep Singh, Ld. Advocate  
Mr.Sudarshan Kumar Agarwal, Ld. Advocate  
Mr.Ditsha Dhar Ld. Advocate

O R D E R

Labh Singh, Member (Judicial)

IA(I.B.C)/264(KB)2026

1. The present application has been filed by the Punjab National Bank being the Financial Creditor claiming to be holding 49.70% voting share in the Stakeholders Consultation Committee (for short 'SCC') seeking replacement of the present Liquidator under Section 60(5) of the IBC, 2016 read with Regulation 31(A) (11) of the IBBI Liquidation Process,2016.
2. It has been submitted that the CIRP process of Purple Advertising Services Pvt. Ltd. commenced in pursuance of order dated 29<sup>th</sup> October 2019 in C.P.(IB)No.108/KB/2019 passed by this Tribunal.
3. Consequent upon failure of resolution and approval of Liquidation by 100% voting share of Committee of Creditors, this Tribunal, vide order dated 18<sup>th</sup> May 2022, directed liquidation of the Corporate Debtor and appointed the

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respondent as Liquidator. Accordingly, the liquidation started from 18<sup>th</sup> May 2022.

4. It has further been submitted that despite more than three and half years having elapsed since the commencement of liquidation, the liquidation process remained incomplete.
5. It has further been alleged that the record reveals persistent non-compliance with statutory timelines, lack of diligence, and absence of transparency in the conduct of the Liquidation process.
6. It has further been stated that Authorization of Assignment i.e AFA of respondent has already expired on 22.11.2022 and no renewal was obtained. Therefore, Respondent continued to function as Liquidator without a valid AFA and failed to disclose such material facts either before the 'SCC' or before this Tribunal. The continuation as liquidator without valid authorization goes to the root of the legality of the process and reflects disregard to the statutory framework governing the Resolution Professionals.
7. It has further been submitted that the first SCC meeting was convened on 18.11.2022, approximately six months after liquidation commencement date. However, despite completion of nearly 45 months of liquidation, only seven SCC meetings have been held. The Liquidation Regulations contemplate

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regular consultation with stakeholders to ensure transparency and effective supervision of the liquidation process. Therefore, holding of merely seven meetings over such an extended period of liquidation demonstrates serious procedural irregularity on the part of the liquidator.

8. It has further been submitted that Regulation 44 of IBBI (Liquidation Process) Regulations mandate completion of liquidation process within a period of one year subject to exclusions granted by the Adjudicating Authority. However, in the present case, the one year period has already elapsed on 17.05.2023. Even after availing multiple exclusions, the liquidation period stood expired on 08.09.2024; however, no extension or exclusion has been sought for nearly one year thereafter. It is only by order dated 26.12.2025 a further exclusion of nine months was granted. This unexplained interregnum period from 08.09.2024 to 07.09.2025 proves clear default of duty and procedural negligence on the part of the Liquidator.
9. It has further been submitted that in so far as realization of assets is concerned, only one e-auction sale notice dated 21.01.2023 is available in the public domain for sale of the Corporate Debtor as going concern. There is no disclosure of subsequent auction attempts or alternative mode of sale.

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There is no material available on record demonstrating continuous or structured efforts toward realization of assets and such inaction on the part of the Liquidator has undermined the objective of value maximization and results in erosion of stakeholder interest.

10. It has further been submitted that in the SCC meeting held on 18<sup>th</sup> November 2022, Respondent informed members of the SCC that appointment of a forensic Auditor was in progress; however, till the seventh SCC meeting held on 30.01.2026, no forensic auditor has been appointed. The prolonged inaction has deprived stakeholders of the opportunity to investigate avoidable transactions and safeguard the assets of the Corporate Debtor.
11. It has further been submitted that issues pertaining to inclusion, exclusion or extension of time in the liquidation period were never meaningfully deliberated. The applications were preferred unilaterally without placing the matter before stakeholders for discussion and such conduct on the part of the Liquidator defeats the consultative framework envisaged under Regulation 31A of the IBBI (Liquidation Process) Regulations, 2016
12. It has further been submitted that a meeting of Joint Lenders' was held on 29.11.2025, where SCC members

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unanimously resolved to replace the respondent due to failure to take possession of mortgaged properties, failure to take control of accounts, and absence of progress in liquidation.

13. Ms. Rachana Jhunjunwala has been proposed as new Liquidator and her consent has duly been obtained. During the seventh SCC meeting held on 30.01.2026, replacement was again proposed; however, the Respondent failed to properly record the resolution in the minutes. Even in the revised minutes, statements were inserted suggesting non-production of documents by members, which is factually incorrect.
14. It has further been submitted that Regulation 31A (11) of IBBI(Liquidation Process) Regulation clearly provides that the SCC may, by not less than 66% voting share, can propose replacement of the Liquidator and approach the Adjudicating Authority. The applicant, along with SCC Members, constitutes a majority well beyond the statutory threshold required for replacement.
15. This Tribunal in exercise of powers under Section 60(5) of the IBC Code has power to ensure that liquidation proceedings are conducted in accordance with law and in furtherance of the object of the IBC Code. Therefore, the present application should be allowed.

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16. In pursuance of notice issued by this Tribunal, respondent appeared and filed its reply stating therein denying each and every contentions and allegations made in the present application. He has further replied that after his appointment as Liquidator by this Tribunal, he made a public announcement in Form-B of Schedule II in two Newspapers namely the “Financial Express” and “Aajkal” on 22.05.2022. The answering Respondent is performing his duties as a Liquidator and taking steps in accordance with law.
17. It has further replied that an application being IA No.759/2021 was filed by one Boho Bose Entertainment Pvt. Ltd. with a declaration that they are a lessee of the Corporate Debtor and the said agreement entered between the Corporate Debtor and Boho Bose Entertainment Pvt. Ltd. The said application is still pending for adjudication before this Tribunal. He has further replied that an application being IA No.374/2021 was filed by one Ms. Payal Chatterjee, one of the employees of the Corporate Debtor seeking disbursement of the salary and Provident Fund dues. The said application is also pending adjudication of this Tribunal. He further submitted that on June 7<sup>th</sup> 2023, this Tribunal dismissed IA No. 1687/2022 wherein relief was sought for

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quashing or setting aside a letter dated December 15, 2022, wherein all the assets being part of the liquidation estate.

18. This Tribunal categorically held that the applicant Bank i.e State Bank of India has evidentially and admittedly failed to act in terms of the provisions; and hence, it cannot seek quashing of the said letter. However, due to the pendency of IA No.450/2023, the stay imposed by the order dated July 23, 2024 still remained in force.
19. It has further been replied that respondent at all material times acted bona fide, diligently and in accordance with provision of the Insolvency and Bankruptcy Code, 2016 and regulations framed thereunder. He further took necessary steps including verification of claims, conduct of meetings, and compliance of necessary requirements.
20. The present application is misconceived and seeks to attribute delays arising from external factors of the Respondent without any basis. It has further been replied that no case has been made out for his replacement of the Liquidator. The allegations are unfounded and not supported by the record. Any such replacement at the stage would further delay the liquidation process and will be contrary to the interests of the stakeholders.

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21. Heard Learned Counsel appearing for the applicant and Liquidator. We have gone through the record of the present application. We have considered law applicable to the facts of the present case.

22. The Regulation of 31A(11) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 provides for replacement of liquidator, the relevant part of which is reproduced as under:

*“(11) The consultation committee, after recording the reasons, may by a majority vote of not less, than sixty-six per cent., propose to replace the liquidator and shall file an application, after obtaining the written consent of the proposed liquidator in Form AA of the Schedule II, before the Adjudicating Authority for replacement of the liquidator:*

*PROVIDED that where a liquidator is proposed to be replaced, he shall- (a) continue to work till his replacement;*

*(b) be suitably remunerated for work performed till his replacement.*

23. Thus, Stakeholders Consultation Committee (SCC), under the IBBI Liquidation Regulations, 2016, is fully empowered to

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request for change of the liquidator. It is fully open for the committee to take an appropriate decision and file an application before the adjudicating authority giving its reasons for replacement in accordance with the due resolution. The SCC Members, in the meeting of Joint Lenders held on 29.11.2025, unanimously resolved to replace the respondent with Ms. Rachana Jhunjunwala.

24. The Authorisation for Assignment(AFA) of the respondent was valid till 22.11.2022 and not revalidated or renewed. Ms. Rachana Jhunjunwala has consented for her appointment as Liquidator of the Corporate Debtor.
25. Therefore, we hereby appoint, Ms. Rachana Jhunjunwala, Reg. No.IBBI/IPA-001/IP-P00389/2017-18/10707 Address: Siddha Weston, 9 Weston Street, Suite No. 134, Kolkata West Bengal, 700013, E-mail ID: [egress.rac@gmail.com](mailto:egress.rac@gmail.com) , Mobile No., AFA No. AA1/10707/02/311226/108655 valid till 31.12.2026), as a Liquidator of the Corporate Debtor i.e. Purple Advertising Services Pvt. Ltd as suggested by the SCC.
26. The SCC is hereby directed to pay a sum of Rs. 50,000/- to respondent/Liquidator as his remuneration.

Rekha Kantilal Shah  
Member(Technical)

Labh Singh  
Member(Judicial)